

§ 44.16 Small and minority audit firms.

Small audit firms, and audit firms owned and controlled by socially and economically disadvantaged individuals, shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the audit requirements of this part. (As used in this section, the term *small audit firms* includes the term *audit firms controlled by socially and economically disadvantaged individuals*.) Recipients of Federal assistance shall take the following steps to further this goal:

(a) Assure that small audit firms are used to the fullest extent practicable;

(b) Make information on forthcoming opportunities available to, and arrange time schedules for the audit so as to encourage and facilitate participation by, small audit firms;

(c) Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms;

(d) Encourage contracting with small audit firms that have traditionally audited government programs and, in cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities;

(e) Encourage contracting with consortiums of small audit firms when a contract is too large for an individual small firm; and

(f) Use the services and assistance, as appropriate, of the Small Business Administration in the solicitation and utilization of small audit firms.

§ 44.17 Reporting.

HUD shall report to the Director of OMB on or before March 1, 1987, and annually thereafter, on the effectiveness of State and local governments in carrying out the requirements of the OMB Circular. The report shall identify each State or local government or Indian tribe that, in the opinion of HUD, has failed to comply with OMB Circular or with this part.

§ 44.18 HUD audits.

(a) The Secretary of HUD or the Secretary's authorized representative shall have access to all books, accounts, records, reports, files and other papers or property of a recipient orga-

nization pertaining to Federal assistance supplied by HUD to the recipient organization, for the purpose of making specific suveys, audits, examinations, excerpts and transcripts.

APPENDIX TO PART 44—DEFINITION OF MAJOR PROGRAM AS PROVIDED IN THE SINGLE AUDIT ACT OF 1984

Major Federal Assistance Program," for State and local governments having Federal assistance expenditures between \$100,000 and \$100 million dollars, means any program for which Federal expenditures during the applicable year exceed the larger of \$300,000, or 3 percent of such total expenditures.

Where total expenditures of Federal assistance exceed \$100 million, the following criteria apply:

Total expenditures of Federal financial assistance for all programs		Major Federal assistance program means any program that exceeds—
More than—	But less than—	
\$100 million	\$1 billion	\$3 million.
\$1 billion	\$2 billion	\$4 million.
\$2 billion	\$3 billion	\$7 million.
\$3 billion	\$4 billion	\$10 million.
\$4 billion	\$5 billion	\$13 million.
\$5 billion	\$6 billion	\$16 million.
\$6 billion	\$7 billion	\$19 million.
Over \$7 billion	\$20 million.

PART 45—NON-FEDERAL AUDIT REQUIREMENTS FOR INSTITUTIONS OF HIGHER EDUCATION AND OTHER NONPROFIT INSTITUTIONS

Sec.

45.1 Purpose.

45.2 Scope of audit.

45.3 Frequency of audit.

45.4 Submission of reports.

45.5 Audit costs.

AUTHORITY: 42 U.S.C. 3535(d).

SOURCE: 57 FR 33254, July 27, 1992, unless otherwise noted.

§ 45.1 Purpose.

(a) This part implements the audit requirements for recipient organizations in OMB Circular A-133 "Audits of Institutions of Higher Education and Other Nonprofit Institutions." OMB Circular A-133 was issued under the authority of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended; Reorganization Plan No. 2 of 1970; and Executive Order No. 11541.